

Technology Investment Loan Fund -- No. 319485

Category **General Government**
 Agency **Management and Budget**
 Planning Area **Countywide**
 Relocation Impact **None**

Date Last Modified
 Previous PDF Page Number
 Required Adequate Public Facility

December 30, 2003
 9-36(03 App)
 NO

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY03	Est. FY04	Total 6 Years	FY05	FY06	FY07	FY08	FY09	FY10	Beyond 6 Years
Planning, Design and Supervision											
Land											
Site Improvements and Utilities											
Construction											
Other	3,000	0	0	3,000	500	500	500	500	500	500	0
Total	3,000	0	0	3,000	500	500	500	500	500	500	*

FUNDING SCHEDULE (\$000)

Revolving Fund - Current Revenue	3,000	0	0	3,000	500	500	500	500	500	500	0
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ANNUAL OPERATING BUDGET IMPACT (\$000)

DESCRIPTION

This project establishes an inter-agency loan fund to support, in whole or in part, Technology Investment Fund (TIF) projects. The purpose of this fund is to encourage technologically innovative capital projects that will improve the productivity of County agencies. Projects approved for funding will use innovative technologies to achieve cost reductions, cost avoidance, or service improvements. The loan fund allows agencies to acquire capital for such investments to be repaid to the loan fund from savings achieved according to specified repayment schedules. The County Executive appoints, and the County Council approves, the Technology Investment Fund Loan/Grant Committee composed of representatives of each of the agencies and an independent representative not affiliated with any of the tax supported agencies or potential technology service providers. This committee reviews applications from departments and agencies, according to policy guidelines and criteria established by the County Executive and the County Council. A share of loan fund money is reserved for access by small organizational units and for projects accompanied by department matching resources or outside funding. Each agency may decide which applications to submit to the TIF Loan/Grant Committee, including previously submitted applications or new applications. The TIF Loan/Grant Committee reviews applications with appropriate technical advice from the Department of Technology Services (DTS) and other relevant experts. Each agency has an equal vote in committee decisions. The TIF Loan/Grant Committee makes recommendations for awards to specific projects to the County Executive for final decision. Approved projects are assigned an individual PDF funded from current revenues which include the amount of the loan fund used for that particular project and a schedule for repayment. Management of the loan fund is subject to regular evaluation and oversight by the County Executive and County Council. As cost reductions are achieved and funds repaid to the loan fund, additional money will become available for possible new loan fund projects. Council may replenish the fund's capital by appropriation if advisable.

JUSTIFICATION

The purposes of the loan fund are to encourage technological innovation by providing funds outside the normal budget process; to provide managers with extra incentives to consider potential cost-saving innovations by allowing them to retain savings after repayment of the initial investment; and to provide greater accountability for achievement of promised cost reductions and service improvements through ongoing monitoring and evaluation of project results. A single loan fund, including all the tax supported agencies, can encourage increased cooperation among the agencies, provide for healthy competition in gaining approval of innovative projects, assure greater technical consistency, and avoid duplication in experimental proposals.

STATUS

There is a zero balance in this fund at this time. Any future loans would require an appropriation of revolving fund current revenues from TIF reserves; however, there are no loan applications pending at this time and no appropriation is recommended.

OTHER

This project consolidates appropriation authority for TIF Loan Fund projects. This fund supports individual projects with a total cost of less than \$250,000 each. Expenditures are estimated and not related to specific project applications. This project is implemented in accordance with Council Resolution No. 13-994, the Technology Investment Fund Policy Resolution, which supersedes Council Resolution No. 12-1713, the Technology Innovation Fund Policy Resolution.

* Expenditures will continue indefinitely.

APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY94	(\$000)
Initial Cost Estimate		2,000
First Cost Estimate		
Current Scope	FY03	4,932
Last FY's Cost Estimate		4,932
Present Cost Estimate		3,000
Appropriation Request	FY05	0
Appropriation Request Est.	FY06	0
Supplemental Appropriation Request	FY04	0
Transfer		0
Cumulative Appropriation		0
Expenditures/Encumbrances		0
Unencumbered Balance		0
Partial Closeout Thru	FY02	0
New Partial Closeout	FY03	0
Total Partial Closeout		0

COORDINATION

County Council Resolution No. 12-1712
 County Council Resolution No. 12-1713
 County Council Resolution No. 12-1766
 County Council Resolution No. 13-588
 County Council Resolution No. 13-994
 TIF Loan/Grant Committee
 Office of Management and Budget
 Office of the County Executive
 Department of Finance
 Department of Technology Services
 Montgomery County Public Schools

MAP

